

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF
NEVADA HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office AUG 19 2003

Returned to applicant for correction _____

Corrected application filed _____

Map filed SEP 22 1999 UNDER 65459

The applicant **Mountain Falls Acquisition Corporation**, hereby makes application for permission to change the **Place of Use** of water heretofore appropriated under Permit 65461

1. The source of water is **Underground**
2. The amount of water to be changed **0.431 cfs, not to exceed 311.826 acre-feet per year**
3. The water to be used for **Quasi-Municipal, including Residential and Commercial**
4. The water heretofore permitted for **Quasi-Municipal, including Residential and Commercial**
5. The water is to be diverted at the following point **NE¼SW¼ Section 3, T.21 S., R.54 E., MDB&M, or at a point from which the N¼ corner of said Sec. 3 bears N. 0°57' E., a distance of 3,475 feet**
6. The existing permitted point of diversion is located within
7. Proposed place of use **Portions of Sections 3, 4, 5, and 6, T.21 S., R.54 E., MDB&M**
8. Existing place of use **Portions of Sections 3, 4, 5, 6, 8, 9, 10, 16 and 17, T.21 S., R.54 E., MDB&M**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well with storage and water distribution system**
12. Estimated cost of works **\$1,200,000 (per Permit 65461 Proof of Completion)**
13. Estimated time required to construct works **Existing well is 730 feet deep with 16-inch casing to a depth of 574 feet (per Driller's Log #12038), and equipped with a 125 hp submersible pump**
14. Estimated time required to complete the application of water to beneficial use **20 years**
15. Remarks: **The Proposed Place of Use under this Application includes the 109 lots under the Mountain Falls, Phase 1 (Amended) residential development as approved by DWR Review 6595F-1(A) dated 9/19/00. Please use the map filed under Permit 65459 to support the Existing and Proposed Point of Diversion and Existing Place of Use.**

By **Brian A. Randall, Resource Concepts, Inc.**
s/Brian A. Randall
340 North Minnesota Street
Carson City, Nevada 89703

Compared hmw/cmf ag/cmf

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the place of use of the waters of an underground source as heretofore granted under Permit 65461 is issued subject to the terms and conditions imposed in said Permit 65461 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

The total combined duty of water under Permits 70325, 70326 and 70327 shall not exceed 1754.196 acre-feet annually.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.431 cubic feet per second, but not to exceed 311.826 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

N/A

Proof of completion of work shall be filed on or before:

N/A

Water must be placed to beneficial use on or before:

November 30, 2010

Proof of the application of water to beneficial use shall be filed on or before:

December 30, 2010

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my Office,

this 21st day of June, A.D. 2004


State Engineer

Completion of work filed JAN 30 2003 under 65459.

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____

